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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 007762

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TAGS: [ECON](#) [ELAB](#) [PGOV](#) [PINR](#) [PREL](#) [IN](#) [BG](#) [NP](#) [SL](#)
SUBJECT: AN INTRODUCTORY MEETING WITH COMMUNIST LEADER
SITARAM YECHURY

REF: KATHMANDU 3024

Classified By: Political Counselor Ted Osius for reasons 1.4 (B,D)

11. (C) Summary: In a November 13 meeting with PolCouns, CPI(M) leader and ideologue Sitaram Yechury expressed a desire to maintain regular relations with the Embassy. With a straight face, Yechury was adamant that good relations benefited both India and the US and had moved beyond the stage of partisan politics. He then listed a number of issues where the US and the CPI(M) were in agreement, including: the Civil Nuclear Agreement, and the need for peaceful settlements in Sri Lanka and Nepal. He also implied that the CPI(M) may be willing to accept investment by WalMart in India, if the company accepted unionization of its Indian outlets. Yechury sees a domestic political situation in which both Congress and the BJP are in decline, with the formation of a Left-dominated "third front" government all but inevitable. Citing events in Latin America, Yechury expressed his belief that the Left was ascendant everywhere and that his party was part of a world-wide process that would rein in the excesses of "neo-liberalism" and address deep-rooted poverty. He apparently feels that his party needs to cultivate cordial ties with the USG to keep the process moving. Yechury is the most flexible of the senior Communists in the CPI(M) in Delhi, and this conversation revealed he is someone with whom we can have a sustained dialogue. End Summary.

An Amiable Meeting

12. (SBU) On November 13, PolCouns and Poloff made a courtesy call on CPI(M) leader and ideologue Sitaram Yechury in his New Delhi office. For over an hour, Yechury reviewed foreign policy, political and economic issues, and concluded by expressing his willingness to meet with Embassy representatives on a regular basis.

Relations With the Big Powers

13. (C) Stating repeatedly that "relations with the big powers are a foregone conclusion," Yechury was gratified that India enjoys good relations with China, Russia and the U.S., even though his party remains deeply suspicious of Washington. He opined that the recent US midterm elections would not affect the growing ties between India and the US, stating that there is a "continuum" in the relationship that transcends partisan politics both in India and the US. Relations with these big powers are "fixed" in any case and do not pose serious problems for New Delhi. Yechury's big concern is that India is "surrounded by failed states," making regional relations much more problematic.

Positive on the Nuke Deal

14. (C) Calling the US/India civil nuclear deal "settled," Yechury emphasized that it is "in the interests of everyone," both India and the U.S., and hoped that it could be passed quickly by the U.S. senate in its upcoming "lame duck"

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session. He said the Prime Minister had addressed all of the CPI(M)'s concerns with his August 17 address to the Parliament.

Consensus on Nepal

15. (C) Yechury insisted that India and the U.S. were reading from the same sheet of music on Nepal. He welcomed PolCouns' assertions that the USG wanted to support the recent agreement between Maoists and the government. Confirming that he would be traveling to Nepal on November 15, Yechury revealed that the CPI(M) had pressed the Maoists to accept UN mediation and come to an agreement with the GON. He asserted that the CPI(M) wants the UN to oversee the process, as it would lend it "legitimacy and credibility." PolCouns replied that effective arms management may require a high-level UN mandate, adding that entry into the political process requires the Maoists to put aside their arms. Yechury suggested that the Maoists remain fearful that their enemies will exact revenge if they disarm while leaving the Nepalese Army and police fully armed. Yechury claimed that he recently assured Nepalese Maoist leader Prachanda that UN oversight will provide the necessary protection. While in Nepal, Yechury plans to urge the Maoists to convert their military forces into a GON paramilitary force. He suggested that they could provide much needed "forest protection" that would prevent Nepalese forest mafias from destroying the environment. Yechury pointed out that it has taken the CPI(M) over two years to convince the Maoists to lay down their weapons and accept a negotiated settlement, and the party now hopes to craft a coalition between the Maoists and Communists that will grant it a sizable number of parliamentary seats to balance an expected Center/Left coalition.

As Well as Sri Lanka

16. (C) Yechury noted that the CPI(M) agrees with the USG that a peaceful settlement is required in Sri Lanka and that there is no military solution to the conflict. He pointed out that his party has long called for a solution that would

provide "maximum autonomy within a united framework." Yechury said this was far different from the position of the two leading Sri Lankan political parties that called for a "unitary state," which he said was nothing less than an expression of "Sinhala Chauvinism." He further emphasized that the CPI(M) has called on the GOI to stop all deliveries of lethal materials to Colombo, as they only prolong the bloodshed.

Implied Willingness to Accept Walmart

¶7. (C) During a discussion of retail trade, Yechury acknowledged that both Indian and foreign retailers were planning to make large investments in India. He appeared intrigued when he learned that WalMart is currently purchasing over USD one billion from Indian suppliers, primarily textiles for sale in stores around the world. Stating that the CPI(M) did not differentiate between foreign

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and domestic firms when it came to large retail operations, Yechury pointed out that WalMart recently agreed to allow unionization of its many Chinese employees, and that he hoped this would set a precedent for the rest of the world.

Unhappy with Uttar Pradesh

¶8. (C) Conceding that the opposition in Uttar Pradesh had a point that the law and order situation there is bad and deteriorating, Yechury opposed the pending proposal to dismiss the Samajwadi (Socialist) Party (SP) government and declare President's rule, stating that it is now too close to the March, 2007 elections. Any move by New Delhi to dismiss the UP government, he said, would be widely interpreted as undue interference in the election process. Yechury felt that the GOI was likely to dismiss the government, as it would benefit Congress, but would not do so until after the next session of Parliament, which is set to begin on November 22. He pointed out that the Indian Constitution requires Parliament to approve the imposition of President's rule within "six months," but by the time it comes up for a vote, the election will have already taken place with the SP government likely voted out of office. Although the SP and CPI(M) have an electoral agreement in UP, Yechury was quick to dismiss the party as having "long deviated" from its "socialist principles," while granting that it has suborned the police and interfered with free elections.

History is on Our Side

¶9. (C) Domestically, Yechury was confident that India was heading for a future "third front" government and that the CPI(M) would likely be a key player. He opined that Congress would have difficulty maintaining its current level of support over the medium to long term, and would likely lose seats in the future. Under such a scenario, Congress would have no choice but to support a third front government dominated by the Left. He dismissed the prospect of a return of the declining (and dreaded) BJP to power as "highly unlikely."

In Latin America and Around the World

¶10. (C) Yechury depicted the recent round of leftist electoral victories in Latin America as the harbinger of big changes to come, not just in Latin America, but in Asia and around the world. He pointed out that Latin America had swung left because of its bad experience with "neo-liberalism" and its discovery that economic liberalization would have to be done in a humane way that truly benefited the poor and did not lead to concentration of wealth. Warming to his subject, Yechury maintained that the

end-result would be a new "social order" that addressed the issue of poverty and ensured economic benefits to everyone, and that it did not matter which party was responsible. Stating that the issue had gone beyond parties, it no longer matter what a party was called as long as it delivered the goods.

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Comment: A Pragmatist in an Ideological Party

¶11. (C) Yechury represents the "pragmatic" wing of the CPI(M) and is less doctrinaire than Party General Secretary Prakash Karat. He demonstrated his pragmatic streak throughout the meeting, maintaining an amiable and friendly countenance and stressing areas of agreement between his party and the USG. Starting with the civil nuclear agreement, Yechury made it clear that the CPI(M) wants cordial relations with the US and that the Agreement is one of several issues where it will not persist in challenging the UPA government. Yechury tried to make it clear that the CPI(M) is working hard to rein in the Maoists (both in India and Nepal) and ensure that they renounce violence and adopt a parliamentary/democratic approach. He also wanted to demonstrate the amount of leverage the CPI(M) enjoys over GOI foreign and economic policy, claiming credit for the GOI approach on Nepal and Sri Lanka. Yechury implied that his party will demand unionization as the price for the entry of WalMart and other US retailers into India's retail market. Yechury and other Communist leaders are historic determinists who see the march of history on their side, see vindication in the sweep of Left electoral victories in Latin America and foresee similar developments in South Asia. They believe that things are only going to get better for them and that it is "inevitable" that they come to power in the future. As such, they have decided to cultivate the USG and open a clear line of communication with the Embassy. We will keep talking to Yechury.

¶12. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)
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